

Review Staff: 75-3646
12 December 1975

MEMORANDUM FOR THE RECORD

SUBJECT: The McCone Option

1. Mr. John A. McCone does not believe the CIA can continue under its present name and with the present system of internal and external controls. He believes that there should be a new structure to be named the National Security Intelligence Agency (NSIA) under the direct supervision of a Director, NSIA who would be supervised by a National Security Council committee at the level of deputy and under-secretaries with a large and vigorous staff. This committee would be responsible for reviewing all U.S. intelligence programs, including covert actions and clandestine collection. It would conduct periodic reviews of all existing authorizations to preclude the notion that authority, whether vague or explicit, could carry over from one administration to another,

2. The D/NSIA would have full control over the national intelligence budget. He would be supported by two deputies, one who would absorb the existing personnel and functions of CIA and run that portion of the new NSIA. The other deputy would supervise the intelligence community and be chairman of USIB. His principal grip on the community would be through the D/NSIA's budget control. The D/NSIA would have an office at Langley and one downtown. His troops would be the existing collection and analytical capabilities in the present CIA. Meeting with the NSC committee, the D/NSIA would review priorities, requirements, and programs and allocate resources. The NSC committee would provide a link to the customers so that priorities could be reviewed and revised.

3. Internal controls should be strengthened by placing the Office of General Counsel and the Office of the Inspector General on an equal plane with the Deputy Directors. They should report to the head of the Agency, but would be available to confer with the PFIAB and Congressional committees.

4. The Congress should establish a Joint Oversight Committee along the lines of the Joint Committee on Atomic Energy and should pass strict legislation with severe penalties for unauthorized disclosure.

5. The PFIAB should be broadened and supported by a strong staff director. The chairman should not be a permanent appointee. If he were, he would become identified with the executive branch, instead of the civilian spectrum which the PFIAB is supposed to represent.

6. Covert action, clandestine collection, and analyses must remain in the new CIA. Otherwise, the functions will become slaves of departmental policy. Moreover, compartmentation, already a problem, would become worse.

Notes: Mr. McCone presented his option on 11 December from 2:00 to 3:45 to Phil Buchen, John Marsh, Bill Hyland, Mike Duval, and Jerry Waldmann. He said they were receptive, grateful, and offered no objections.

McCone raised the spectre of Defense girding itself to play the predominant role in national intelligence. The group volunteered vehement opposition to such a development.

A suggestion was made that the OGC and IC be Presidential appointees. McCone was opposed.

McCone's option is a further refinement of the position which he has taken in previous conversations, in his speech to the Business Advisory Council, and in

his article for The Encyclopedia Britannica. His views will next be printed in an early issue of TV Guide.

STATINTL



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